

**HTML contains invalid UTF-8 character(s)****THE MINUTES OF THE REGULAR MEETING OF THE BOARD OF DIRECTORS OF  
WELLS RURAL ELECTRIC COMPANY****DECEMBER 18, 1992**

The regular meeting of the Board of Directors of Wells Rural Electric Company was held in Wendover, Nevada in the Gold room of the SilverSmith Convention Center and called to order at 9:00 a.m., MST. The meeting was presided over by President D. Vernon Dalton.

Directors present were Gerald Anderson, Larry Bradshaw, Ferris Brough, D. Vernon Dalton, Daryl Eriksen, Robert Harris, Lois Nannini, Jerry Parkin, S.J. Smith and Mary A. Wright. Vernon Scott was not present.

Staff members present were Daniel L. Kessler, Jr., General Manager; Clay R. Fitch, Manager, Finance/Administration; Warren Linnell, Manager, Engineering/Operations; and Paul Johnson, Manager of Member Services. Also present was Diane Griswold, Executive Secretary.

**APPROVAL OF MINUTES:**

The minutes of the regular meeting of November 12, 1992 will stand approved as written.

**ADDITIONS TO THE AGENDA:**

Bill Lewis and don Angell of POWER Engineers, Inc. will address the board regarding the geothermal feasibility study.

**POWER ENGINEERS:**

Don Angell gave an overview of the geothermal potential in the Carlin and Wells areas. He also compared electrical rates with rates of the five major fuel types used in those areas. Bill Lewis addressed, for each area, the conceptual design options, including the investments, major components (equipment, wells, etc.); participation (commercial & residential)/ total savings per year; and the risks involved. A discussion ensued.

Dan reported on the meeting between WREC, POWER Engineers, and Newmont regarding the draft General Transfer Agreement (GTA). This GTA is needed to raise contract capacity to 95 megawatts. Don Angell explained the contents of the draft and the concerns we have with it. A letter was sent to Tom Wagenhoffer with our comments on the GTA and requested a meeting with BPA in the near future.

A discussion ensued regarding Newmont~~[[#146]]~~'s load projections and New Large Single Load management.

**MANAGER~~[[#146]]~~'S REPORT:**

CFC interest rates, investments made, and interest earned were reported.

Dan reported on the union negotiations. A discussion ensued. IT WAS ON MOTION BY DARYL ERIKSEN, SECONDED BY ROBERT HARRIS AND PASSED UNANIMOUSLY TO APPROVE THE UNION CONTRACT FOR 1993 AS PRESENTED.

Dan reported on the updated Wage & Salary Plan. An increase of 4.98% in clerical and 4.84% in the management/technical wage and salary tables was presented to the board for consideration. Following a discussion, IT WAS ON MOTION BY LARRY BRADSHAW, SECONDED BY ROBERT HARRIS AND PASSED UNANIMOUSLY TO APPROVE THE ADJUSTMENTS TO THE WAGE AND SALARY PLAN.

Bob Vaughan, attorney, will address the Wendover land situation and WPPSS at 1:00 p.m.

A discussion ensued regarding a donation to NENDA for the printing of brochures. More information was requested.

A letter was received from the City of Wells stating they will vacate the WREC building on Lake Street. Representatives from WREC and the City will complete a walk-through audit of the building.

Daryl Eriksen and Dan reported on the NWPPA board meeting they attended. A discussion was held regarding which organization (PPC, PNGC, NWPPA) in the Northwest will represent us. Proposals from those organizations are forthcoming.

A lengthy discussion ensued regarding an organizational efficiency study, management audit, and market research study. IT WAS ON MOTION BY LOIS NANNINI, SECONDED BY GERALD ANDERSON, AMENDED AND PASSED UNANIMOUSLY TO APPROVE NRECA PERFORMING, DURING THE FIRST QUARTER 1993, A BOARD AND MANAGEMENT AUDIT IN CONJUNCTION WITH A MARKET RESEARCH STUDY, NOT TO EXCEED \$40,000.00.

A discussion ensued regarding the amendment of the Bylaws to include a board and management audit. It was decided to add this discussion to the agenda following the completion of the board and management audit.

#### WENDOVER LAND:

Bob Vaughan, attorney, addressed the Wendover land litigation. It was stressed that we are not liable for the remediation. The goal is to get to a hearing stage where a determination that we are not responsible is given. Letters from the State of Utah, Bureau of Environmental Remediation and Reclamation (BERR) and Attorney Robert Hill were reviewed and discussed. A letter from Robert Hill to the Utah BERR was read and board approval, in support of the letter, was asked. IT WAS ON MOTION BY S.J. SMITH, SECONDED BY ROBERT HARRIS AND PASSED UNANIMOUSLY TO APPROVE ROBERT HILL's LETTER TO THE UTAH BERR.

Bob addressed the question of conflict of interest with Bob Goicoechea, City of Wells attorney and as an affiliate of Bob Vaughan's, while working on the liability question of geothermal water, from WREC's well, reinjection into the City's system. It was stated that no conflict of interest is evident and an explanation was given.

Bob gave an update on the WPPSS bond holder's suit and settlement and the cost sharing suit.

#### NEVADA COOPERATIVE CREDIT UNION:

The insurance papers received from Glen Reese were signed and Expressed Mailed back to him. It is the understanding that after receipt of the insurance papers the charter application was to be filed. A meeting between Mr. Reese and the credit union board is to be set.

#### BOARD COMMITTEE REPORTS:

Vernon Dalton reported on behalf of the Financial Advisory Committee. Upon committee recommendation, IT WAS ON MOTION BY DARYL ERIKSEN, SECONDED BY LARRY BRADSHAW AND PASSED UNANIMOUSLY TO APPROVE THE EXPENSE BUDGET AS PRESENT. IT WAS ON MOTION BY DARYL ERIKSEN, SECONDED BY LARRY BRADSHAW AND PASSED UNANIMOUSLY TO APPROVE THE CAPITAL BUDGET AS PRESENTED.

Ferris reported on behalf of the Retirement and Insurance Committee. Upon committee recommendation, IT WAS ON MOTION BY FERRIS BROUGH, SECONDED BY GERALD ANDERSON AND PASSED UNANIMOUSLY TO APPROVE FEDERATED INSURANCE COMPANY **[[#146]]**S BID.

Larry reported on behalf of the Safety Committee. Upon committee recommendation, IT WAS ON MOTION BY LARRY BRADSHAW, SECONDED BY DARYL ERIKSEN AND PASSED UNANIMOUSLY TO APPROVE A \$100.00 SAFETY AWARD TO EACH REGULAR FULL-TIME EMPLOYEE WITH NOTIFICATION THAT THE SAFETY AWARD PROGRAM WILL BE CHANGED NEXT YEAR.

It was noted that as of January 1, 1993, all WREC buildings will be declared smoke free.

Dan reported on the Total Quality Management presentation given during the Director **[[#146]]**s Update in Nashville, Tennessee.

#### SAFETY MINUTES:

IT WAS ON MOTION BY LARRY BRADSHAW, SECONDED BY ROBERT HARRIS AND PASSED UNANIMOUSLY TO APPROVE THE SAFETY MINUTES.

IT WAS ON MOTION BY DARYL ERIKSEN, SECONDED BY LARRY BRADSHAW AND PASSED UNANIMOUSLY TO APPROVE THE ELECTRICIAN **[[#146]]**S REPORT.

#### NEW MEMBERSHIPS:

IT WAS ON MOTION BY ROBERT HARRIS, SECONDED BY LARRY BRADSHAW AND PASSED UNANIMOUSLY TO APPROVE 27 NEW MEMBERHSIPS: 6-WELLS, NV; 8-CARLIN, NV; 6-WENDOVER, NV; AND 7-WENDOVER, UT.

#### BOARD RETREAT:

The retreat is scheduled for the week of January 18 (with the exception of Monday). Vernon Dalton reported on setting up a tour of solar, wind, geothermal energy sites near Victorville, California. The tour will take three days. A discussion ensued. Information will be sent out to the board.

Vernon Dalton reported on the last NRECA board meeting. Bob Bergland, NRECA General Manager, will retire in June 1993. Also reported was a proposal sent to NRECA for a new headquarter facility.

Also addressed was the Endangered Species Act Reform Coalition. Support of this coalition was requested. Following a discussion, IT WAS ON MOTION BY ROBERT HARRIS, SECONDED BY JERRY PARKIN AND PASSED UNANIMOUSLY TO DONATE \$1000 IN SUPPORT OF THE ENDANGERED SPECIES ACT REFORM COALITION.

As there was no further business to come before the board, the meeting adjourned at 3:30 p.m.

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